



GAIL FARBER, Director

## COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 09, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

34 September 9, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**TERMINATE A CONTRACT FOR CONVENIENCE  
DISTRICT NO. 29 TANK RECOATING AND RETROFITS, PHASE III  
UNINCORPORATED COMMUNITIES OF  
FERNWOOD AND MONTE NIDO  
(SUPERVISORIAL DISTRICT 3)  
(3 VOTES)**

**SUBJECT**

This action is to terminate a contract for convenience for the recoating and retrofitting of three potable water tanks in the unincorporated communities of Fernwood and Monte Nido.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 29:**

Terminate the contract for convenience with Paso Robles Tank, Inc., for Project ID No. WWD2900057 – District No. 29 Tank Recoating and Retrofits, Phase III in the unincorporated communities of Fernwood and Monte Nido and authorize the Director of Public Works or her designee to pay Paso Robles Tank, Inc., \$280,000 for incurred expenses.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is to obtain approval from the Board to terminate a contract for convenience in accordance with the provisions of the contract specifications.

On September 10, 2013, Agenda Item 38, the Board awarded a contract to Paso Robles Tank, Inc., for the recoating and retrofitting of three potable water tanks in the unincorporated communities of Fernwood and Monte Nido and authorized the Director of Public Works or her designee to execute a contract. On October 9, 2013, the contract was executed.

After removing the interior coating on the first tank, the structural condition was determined to be much worse than anticipated and would require repairs beyond the scope of work included in the project plans and specifications; therefore, this project was field accepted on April 3, 2014. These tanks provide critical capacity for fire suppression in the area and there was not sufficient time to design a solution and negotiate a change order before the onset of the 2014 fire season. Therefore, we recommend terminating the current contract.

We believe, and County Counsel concurs, that terminating the contract at this time is in the best interest of both Paso Robles Tank, Inc., and the County of Los Angeles. Therefore, we recommend that the Board terminate the contract with Paso Robles Tank, Inc., in accordance with Subsection 6-5, Termination of Contract, of the contract specifications. Paso Robles Tank, Inc., has agreed to \$193,840 in compensation for its expenses incurred for fabricating materials and obtaining necessary insurance coverage and bonds and \$86,160 for work performed totaling \$280,000.

#### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness/Fiscal Sustainability (Goal 1) and Integrated Service Delivery (Goal 3). The recommended actions will help achieve these goals by providing the residents and property owners within the Waterworks District with a more reliable water supply system.

#### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The contractor has incurred expenses in the amount of \$280,000 for fabricating materials and obtaining the necessary insurance coverage and bonds as well as work performed.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract documents provide for the termination for convenience of the contract by the Board if such action is in the best interest of the County.

#### **ENVIRONMENTAL DOCUMENTATION**

On March 12, 2013, Agenda Item 32, the Board found this project categorically exempt from the provisions of the California Environmental Quality Act.

#### **CONTRACTING PROCESS**

This project will be readvertised for construction bids upon completion of revised plans and specifications.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Terminating the project will not affect Public Works' ability to provide residents and property owners within the Waterworks District with a reliable water supply system.

**CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Construction Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:JTS:lg

c: Chief Executive Office (Rita Robinson)  
County Counsel  
Executive Office  
Internal Services Department (Countywide  
Contract Compliance)